

After having determined what number of years, according to those tables, or otherwise, should be allowed as the expectation of life during which the payment of the legacy was to be deferred, the rule, according to *Dr. Price*, is, for example, to subtract the value of the life from the perpetuity, absolute property, or fee simple estate. Multiply the remainder by the product of the given sum into the interest of one hundred pound for a year; and this last product divided by one hundred pound increased by its interest for a year, will give the answer in a single present payment. Recollecting, that in proportion as the expectation is short, as taken from the London table, or long, as taken from that of *Finlaison*, so will the life interest to be subtracted be large or small; and consequently, the present value of the reversionary payment be little or much. (*w*)

Upon this case two questions arose. *First*. Whether the plaintiff *Dorsey*, was to be credited for the whole amount he paid for the legacy? *Secondly*. If not with that amount, but with its true value on the 17th of February, 1817, when he bought it, then; How was that value to be ascertained?

March, 1824.—JOHNSON, Chancellor.—‘By the agreement the legacies are not to be satisfied by *Dorsey*. If, therefore, he has undertaken to satisfy them, or purchase them, as between him and *Smith*, he is only entitled to their worth at the time of purchase, and not to their worth when they take effect in possession. According to calculations by which the extent of a widow’s dower in land, when converted into money, and by which legacies to be paid after a life estate, are regulated, the legacy purchased by *Dorsey* was only worth \$560 22; indeed by the English rule, only \$349 06. But as that rule is founded on compound interest, on the principle that the interest should, as there it may, be immediately vested, although we adopt the time at which it is most probable the right to receive the legacy will arrive, yet its value is not come at by compound, but by simple interest; and by that rule *Dorsey* can only claim, in addition to the two payments, the sum of \$560 22.’ (*x*)

From this decision of the Chancellor the plaintiffs appealed, and the same questions were submitted to the tribunal of the last resort for determination.

June, 1826.—The Court of Appeals.—‘The consideration of the

(*w*) *Price Obser.* ch. 1.—(*x*) *Dorsey v. Smith*, 7 H. & J. 356.